Unit 1: Accounting Principles and Financial Statements

Content Area: **Business Education**
Course(s): **Accounting 1**
Time Period: **September**
Length: **6 Blocks**
Status: **Published**

Transfer

Accounting Principles and the Financial Statements

Enduring Understandings

Accounting is an information system that measures, processes, and communicates financial information about a business.

Acceptable accounting practice consists of the conventions, rules, and procedures that make up generally acceptable accounting principles (GAAP)

Accounting provides information to managers of all institutions and to individuals with a direct financial interest in those institutions, including present or potential investors and creditors.

Ethics play a key role in everyday life specifically in the financial industry.

Essential Questions

How can accounting enhance our understanding of business?

Should accounting practices have oversight?

Are ethics important in accounting?

Content

Audit

Balance Sheet

Business Transactions

Cash flow

Due Care

Economic Activity

Exchange Rate

Financial Ratios

Financial Statements

Fraudulent financial Reporting

Generally Accepted Accounting Principles - (GAAP)

Governmental Accounting standards Board - (GASB)

Income statement

Limited Liability

Liquidity

Management Information Systems (MIS)

Money Measures

Net Income/Loss

Owner’s Equity

Performance Measures

Profitability

Revenues

SEC

Statement of Cash Flow

Separate Entity

Statement of OE

Withdrawals

Learning Objectives

Define accounting, and explain the concepts underlying accounting measurement.

Define financial position, and state the accounting equation.

Identify the four basic financial statements and their interrelationships.

Explain how generally accepted (GAAP) and international financial reporting standards (IFRS) relate to financial statements and the independent CPA's report and identify the organizations that influence GAAP.

Identify the users of accounting information, and identify business goals, activities, and performance measures.

Explain the importance of ethics in financial reporting.

Standards

PFL.9.1.12.D	Planning, Saving, and Investing
PFL.9.1.12.D.1	Calculate short- and long-term returns on various investments (e.g., stocks, bonds, mutual funds, IRAs, deferred pension plans, and so on).
PFL.9.1.12.D.2	Assess the impact of inflation on economic decisions and lifestyles.
PFL.9.1.12.D.4	Assess factors that influence financial planning.
PFL.9.1.12.D.8	Explain how government and independent financial services and products are used to achieve personal financial goals.